

Liquidity Coverage Ratio (Docket No. R-1616)

Members of the Federal Reserve Board met with the Federal Advisory Council (FAC) on September 7, 2018. During the meeting, Council members provided written comments on several aspects of regulatory reform, including the following comments on the Liquidity Coverage Ratio. (The complete FAC Record of Meeting is available at <https://www.federalreserve.gov/aboutthefed/files/fac-20180907.pdf>.)

For institutions that remain subject to the Liquidity Coverage Ratio and enhanced prudential standards requirements, the Council recommends the following modifications:

- FNMA (Fannie Mae) and FHLMC (Freddie Mac) securities should be classified as level 1 high-quality liquid assets. These securities have exhibited price stability and deep markets, even in times of stress.